

# Remarks of UW-Stout Chancellor Charles W. Sorensen

## Special Task Force on UW Restructuring and Operational Flexibilities

January 11, 2012

I'd like to thank the committee and especially Sen. Sheila Harsdorf for the opportunity to discuss the important issue of how the UW System should be structured in the future. This is my 24th year in the UW System, and I hope my experiences in Wisconsin, Minnesota and Michigan have given me the background to offer some valuable observations and suggestions.

We face an interesting challenge in the 21st century. Our system of higher education and our universities were established long before many of our current technological changes were discovered and adopted. However, higher education remains captive to previous generations. Yet, we are driven toward one conclusion: If we are to retain our central role of teaching, research and service for society, higher education must change and adapt to the needs of modern society.

I have discerned two broad themes in reviewing recent literature on this subject:

1. The increased freedom of access to information provided by the Internet means that research, and access to research sources, is no longer confined to libraries. That information is available through digitization to everyone.
2. The Internet gives learners the ability to interact with one another outside of a mediating agent, such as a classroom professor.

These developments raise some interesting and challenging questions: What is the need for physical classrooms? Is our course structure the best way to deliver content, given the rapid expansion of access to knowledge?

Some argue that the powerful impact of the Internet will result in three basic types of universities: brick, click and/or brick and click. Central to all will be the use and adaption of technology and the willingness and ability to change.

We are cautioned, though, by the best scholars and professionals that change means preserving our core values and purposes while improving the basic structure to add value to what we do.

The goal of my presentation will be to offer some concepts that the task force may want to consider in

preparing its recommendations for change. I fully realize that the task force has to balance many different ideas, but these reflect mine, based on my 40 years of experience in higher education, with over two decades at UW-Stout.

First, let me state that there are services that the UW System does well and should be preserved:

- ▶ System Administration should continue to maintain all system historical records for the campuses, including tax reporting, reports to the Board of Regents and all other necessary reporting done on a system-wide basis. System administration should provide records and data to outside agencies such as the Department of Administration and the Legislative Audit Bureau.
- ▶ System administration should continue to support the Shared Financial System (SFS) and the Human Resources System (HRS) for the campuses, as they relate to maintenance, upgrades and hardware. They should also provide functional support to the campuses and ensure that systems are inter-operable.
- ▶ System administration should preserve the student affairs and academic support services functions that directly serve students, prospective students and parents, including the common electronic applications, financial aid resources, UW HELP and the Transfer Information System.
- ▶ System administration should preserve the Office of Professional and Instructional Development and its related programs, as faculty and academic staff benefit greatly from these professional development opportunities. It is more efficient to offer these programs system-wide than for each campus to establish and sustain such programs.
- ▶ System administration should preserve the Office of Policy Analysis and Research. This group produces information and reports that are valuable to the campuses on key performance indicators, including enrollment, retention and graduation rates, and also is the primary source of comparative data for the UW System. However, we remain concerned about excessive reporting requirements and multiple definitions for important terms, including four definitions for racial/ethnic minorities and three definitions for graduation rates.



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With that said, allow me to share my ideas for change.

1. **Transition System to a Service Agency:** Presently, the System represents a type of control-and-command center, with the central office directing the overall agenda and the individual universities responding to that agenda. Decision-making and agenda-setting should reside with each campus, where decisions can be made in the best interest of each campus. This is in line with the report issued on August 11, 2011, from President Reilly's Advisory Committee on the Roles of the UW System Administration, which called for a "long-term shift in the orientation and operations of the UW System from the current centralized model to one that includes much greater distribution of authority and responsibility to the UW institutions..." That change, the report said, "requires a serious and substantial change in the light of the constrained resources and the importance of encouraging entrepreneurial institutional leadership to sustain institutions and develop Wisconsin's knowledge-based economy."
2. **Local Control:** I believe we need to seriously consider the idea of local boards of control for each four-year campus. These boards could have the responsibility to:
  1. Hire chancellors and evaluate their performance
  2. Approve new degree programs
  3. Approve other decisions related to the campus
  4. Serve as campus advocates for political support, fundraising and setting the campus vision and mission

The local boards of control could be linked in some manner to a central Board of Regents and could include a member of the statewide Board.

3. **Retaining Tuition Revenue:** This is another important aspect of local control. Currently, the tuition revenue we collect from our students is sent to the UW System. A portion of it then is returned to campuses using a rather complex formula. Under a campus-based UW System, each campus would retain its tuition revenue. Then chancellors could decide what services they would like to "pur-

chase" from a central UW System, including legal services, human resources, payroll, etc. This obviously would put chancellors in control of how the tuition they collect from students should be spent, ensuring that as much as possible is used for educational purposes.

4. **More Financial Flexibilities:** We appreciate the flexibilities contained in the 2011-13 state budgets, but they did not go far enough. For example, we don't have the authority, if we needed to, to take money from auxiliary accounts (such as *dining or housing*) and use it elsewhere. This is something that we would only do in an emergency, but it is an example of a financial flexibility that we don't currently have. If we are going to move to a true campus-based UW System, chancellors should have all the financial flexibilities possible to meet the current economic challenges.
5. **Tuition Flexibility:** I know this is akin to a third rail for the Legislature, but it needs to be discussed. Decisions on tuition rates should be based more on free-market principals than they are now. Also, because of the proliferation of differential tuition programs across the UW System, we have a situation that is very unequal for some institutions that have to compete with other institutions that can offer more scholarships, etc., for needy students because of their differential tuitions. Campuses should have more authority to set tuition rates, or at least have a strong influence on the rates, since this will provide the revenue they need to offer a quality educational experience, while not pricing themselves out of the market or hampering access. These market situations vary greatly across Wisconsin, but our tuition process does not take those variations into account or give campuses the ability to react. Perhaps the UW System, working with the Legislature, could set parameters for tuition increases and allow campuses to work within those parameters.

This is an exciting time for those of us involved in the UW System. Never has the need or the desire for fundamental change been higher or more important. I truly appreciate the opportunity to discuss some of my ideas for change and would welcome continued dialogue on these and any other issues before the task force.